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## **C.banner International Holdings Limited**

### **千百度國際控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1028)**

## **MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE VERY SUBSTANTIAL ACQUISITION**

This announcement is made by C.banner International Holdings Limited (the “**Company**”; together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **THE MEMORANDUM OF UNDERSTANDING**

The board of directors of the Company (the “**Board**”; its members, the “**Directors**”) is pleased to announce that on April 24, 2018 (after trading hours), the Company and Nanjing Xinjiekou Department Store Co., Ltd. (南京新街口百貨商店股份有限公司) (“**Nanjing Xinjiekou**”; together with the Company, the “**Parties**”) entered into a memorandum of understanding (the “**MOU**”).

### **THE POSSIBLE ACQUISITION**

Pursuant to the MOU, the Parties shall closely cooperate with each other and take all necessary actions to proactively effect a major asset restructuring of Nanjing Xinjiekou, which will involve the possible acquisition by the Company (the “**Possible Acquisition**”) of a 51% equity interest in House of Fraser Group Limited (the “**Target Company**”; together with its subsidiaries, the “**Target Group**”).

The Possible Acquisition shall be carried out by the following means: (i) the purchase by the Company (or its designated entity) of part of the existing shares of the Target Company from a wholly-owned subsidiary of Nanjing Xinjiekou; and/or (ii) the subscription by the Company (or its designated entity) for newly issued shares of the Target Company.

### **CONSIDERATION**

The final consideration for the Possible Acquisition shall be determined through amicable negotiations between the Parties on an arm’s length basis, and shall be paid in cash.

## **LEGAL BINDING FORCE**

The MOU is not legally binding, save for certain provisions relating to confidentiality, governing law, dispute resolution, validity period and other miscellaneous matters.

## **VALIDITY PERIOD AND SUPERSEDING BY DEFINITIVE AGREEMENT(S)**

The MOU shall be valid until September 30, 2018 (the “**Expiration Date**”). The MOU shall be superseded by definitive agreement(s) in relation to the Possible Acquisition to be entered into between the Parties, or be terminated if no such definitive agreement(s) is/are entered into on or before the Expiration Date (or such later date as the Parties may agree).

## **LISTING RULES IMPLICATIONS**

Based on preliminary calculations of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules, it is expected that the Possible Acquisition (if proceeded with) may constitute a very substantial acquisition for the Company. The Company will publish further announcement(s) in relation to the Possible Acquisition and comply with all other applicable requirements under the Listing Rules as and when necessary.

## **REASONS FOR AND BENEFITS OF THE POSSIBLE ACQUISITION**

The Group is principally engaged in the design, manufacture and sale of branded women’s footwear in the People’s Republic of China (the “**PRC**”) and retail of toys across the globe through “Hamleys”. The acquisition of the Target Group, which owns and operates the iconic British department store brand “House of Fraser”, would mark an important step towards the implementation of the Company’s global branding strategy which leverages the brand recognition effect of world-renowned brands.

The Possible Acquisition (if proceeded with) is expected to further enhance the Company’s influence in the retail market in the PRC as well as to facilitate the Company to lay a good foundation for a new brand and retail roadmap overseas. The Directors believe that the Possible Acquisition (if proceeded with) will create synergies between the Target Group’s department store business and the Group’s existing footwear and toy retail businesses, thereby enhancing the competitive strength of the Company in the retail industry.

Taking into consideration the above, the Directors consider that the terms of the MOU are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON THE TARGET COMPANY AND NANJING XINJIEKOU**

The Target Company is a limited liability company incorporated in England and Wales. The Target Group owns, operates and franchises a chain of department stores under the brand “House of Fraser” in the United Kingdom, Ireland, the United Arab Emirates and the PRC and offers clothing, footwear and accessories for men, women and children as well as homeware accessories and furniture.

Nanjing Xinjiekou is a joint stock company incorporated in the PRC, the shares of which are listed on Shanghai Stock Exchange (Stock Code: 600682). It is primarily engaged in the operation of the “House of Fraser” department stores around the world (through the Target Group) and other department stores in the PRC, as well as the provision of elderly healthcare and nursing services in Israel and the PRC. At present, the Target Company is an indirect wholly-owned subsidiary of Nanjing Xinjiekou.

**The Board wishes to emphasize that no legally binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. The Possible Acquisition is subject to, among other things, due diligence review on the assets, liabilities, operations and financial and legal affairs of the Target Group by the Company to its satisfaction. The Possible Acquisition may or may not proceed and the final structure and terms of the Possible Acquisition, which are still subject to further negotiations between the Parties and the Target Company, have yet to be finalized and may deviate from those set out in the MOU. Investors should exercise caution when dealing in the securities of the Company. If in doubt, investors are recommended to consult their professional adviser(s).**

By order of the Board  
**C.banner International Holdings Limited**  
**Chen Yixi**  
*Chairman*

PRC, April 24, 2018

*As at the date of this announcement, the executive Directors are Mr. CHEN Yixi, Mr. ZHAO Wei, Mr. HUO Li and Mr. YUAN Zhenhua; the non-executive Director is Mr. MIAO Bingwen; and the independent non-executive Directors are Mr. KWONG Wai Sun Wilson, Mr. LI Xindan, Mr. ZHANG Zhiyong and Mr. ZHENG Hongliang.*